# How Third Party Data Enhances In-House Files

CRM Education Project

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It Begins With the In-House File

▲ Data collected from the consumer

▲ Data on the consumer's relationship with the marketer

▲ Data on the consumer's purchases and returns

▲ Makes up the majority of the file

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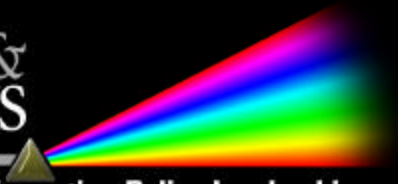
The Processes That Use Third Party Data

- **File hygiene**
  - Improve name and address
  - Remove duplicates
  - Suppress names and addresses that should not be mailed
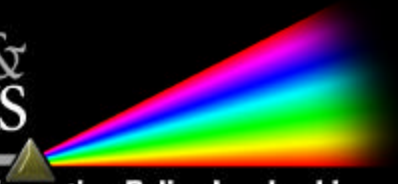
The Processes That Use Third Party Data

▲ File analysis

- Enhance with demographics like age and modeled income from third parties

- Conduct statistical analysis to discover:

  - Common variables among different groups of customers

  - Which variables are predictive
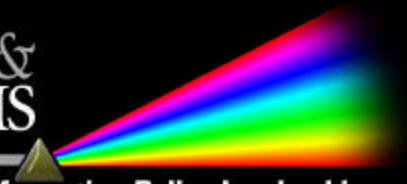
# The Processes That Use Third Party Data

▲ Prospecting

- Uses third party mailing lists that match the demographics of current customers

- The sources include competitors, non-competitive marketers, and aggregators
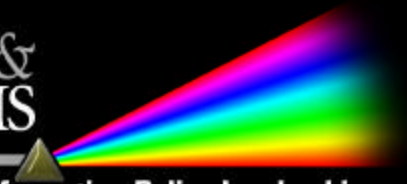
Results

▲ More effective communication with existing customers

▲ Prospects with the greatest potential interest receive advertising

▲ Products change to reflect customers' changing lifestyles
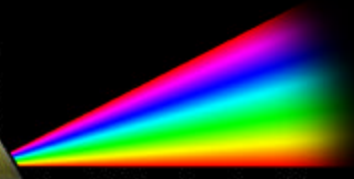
Differences Between Aggregators and Marketers

Marketers

- Data primarily on their customers
- Data self reported and experiential
- Has contact with data subject

Aggregators

- Data on a broader population
- Data comes from many sources
- Doesn't typically include detailed experiential data
- Data subject contact primarily on the part of the sources that collected the data

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